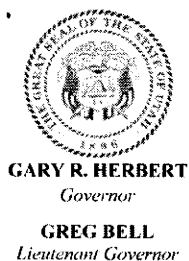


2



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0150019
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, November 24, 2010
Start Date/Time:	11/24/2010 12:30:00 PM
End Date/Time:	11/24/2010 1:30:00 PM
Last Inspection:	Tuesday, August 31, 2010

Representatives Present During the Inspection:	
Company	Guy Davis
OGM	Pete Hess

Inspector: Pete Hess

Weather: Clear, cold; teens Fahrenheit

Inspection ID Report Number: 2566

Accepted by: jhelfric

12/1/2010

Permittee: **ENERGY WEST MINING CO**
 Operator: **ENERGY WEST MINING CO**
 Site: **COTTONWOOD/ WILBERG**
 Address: **PO BOX 310, HUNTINGTON UT 84528**
 County: **EMERY**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

4,128.43	Total Permitted
43.57	Total Disturbed
21.29	Phase I
21.29	Phase II
21.29	Phase III

Mineral Ownership

- ☒ Federal
- ☐ State
- ☐ County
- ☒ Fee
- ☐ Other

Types of Operations

- ☒ Underground
- ☐ Surface
- ☐ Loadout
- ☐ Processing
- ☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Cottonwood / Wilberg Mine site remains in temporary cessation status.
 The State of Utah received a winter storm during the previous 36 hour period, dropping temperatures into the teens from the 30's. Price received anywhere from .5 to 1 inch of snow. It is not known how much snow was received at the Cottonwood / Wilberg Mine site.

Inspector's Signature:

Pete Hess

Pete Hess

Inspector ID Number: 46

Date Wednesday, November 24, 2010



Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.
 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Permit Number: C0150019
 Inspection Type: PARTIAL
 Inspection Date: Wednesday, November 24, 2010

Inspection Continuation Sheet

Page 2 of 4

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The 3rd quarter of 2010 impoundment inspections for the North and South sediment ponds and the Cottonwood waste rock site sediment pond were conducted on September 22, 2010 by Mr. John Christensen, P.E., and Mr. Rick Cullum, R.L.S. There were no indications of instability or other hazards noted by The Permittee's qualified individuals. All three ponds have at least 0.14 AF of sediment storage capacity remaining prior to reaching the 60 % clean out elevation. Mr. Christensen provided the required P.E. certification on October 18, 2010. The required monthly inspection for the North and South MSHA ponds at the Cottonwood site are current as of November 10, 2010. Mr. Davis is the qualified MSHA impoundment inspection person for the Permittee. No problems were identified for either MSHA impoundment.

4.d Hydrologic Balance: Water Monitoring

The second quarter of 2010 water monitoring information for the Cottonwood / Wilberg Mine permit area has been uploaded into the Division permanent data base from the pipeline.

4.e Hydrologic Balance: Effluent Limitations

Discharge monitoring reports for the month of September 2010 were reviewed for parameter exceedances and timely submittal. No exceedances were reported for outfall 001A for September. All reports were submitted by October 19, 2010, which is nine days prior to the required reporting date. Outfalls 003A, 004A and 005A were all reported as no discharge.

5. Explosives

There are no explosives or detonators in storage at the Mine.

7. Coal Mine Waste, Refuse Piles, Impoundments

No waste rock or sediment pond tailings have been deposited at the Cottonwood waste rock site, as confirmed by Mr. Davis letter-to-file of October 28, 2010. The 3rd Quarter 2010 waste rock pile inspection was completed by John Christensen on September 22, 2010. There were no signs of unstable conditions, or other hazards noted by the Permittee's qualified individuals. Mr. Christensen noted in the report that the Cottonwood waste rock site is at 36% of capacity. The visible area of the present lift being utilized is approximately 97 %. The old waste rock site is still being inspected, although it has received a Phase III bond release from the Division of Oil, Gas and Mining as of September 22, 2009. The Permittee's Safety Department has notified MSHA of the pile abandonment in accordance with 30 CFR 77.215-4; to date, no response has been received from that agency. The P.E. certification for both refuse facilities was completed by Mr. John Christensen, Utah registered professional engineer, on October 18, 2010.

14. Subsidence Control

All underground activities at the Cottonwood / Wilberg Mine complex ceased in 2001 with the termination of mining activities at the Trail Mountain Mine.

15. Cessation of Operations

The site remains in temporary cessation status.

21. Bonding and Insurance

The current general liability insurance for the Cottonwood / Trail Mountain Mine remains in effect through August 28, 2011. Coverage is also provided for damage incurred from the use of explosives, as well as subsidence damage. Coverage amounts for general aggregate and each occurrence categories is \$ 2,000,000.00. The policy also has an excess / umbrella liability coverage amount of \$ 35,000,000.00 in place. The cancellation clause requiring notification to the Division should any changes or cancellation of this policy occur meets the requirements of the R645 Coal Mining Rules.